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1923

REPORT
of the
Eastern Wisconsin
Electric Company



FOR THE
FISCAL YEAR ENDING
DECEMBER 31, 1923

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EASTERN WISCONSIN ELECTRIC COMPANY

SHEBOYGAN, WISCONSIN

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

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The Annual Meeting of the Common Stockholders of the Eastern Wisconsin Electric Company will be held at the office of the Company in Sheboygan, Wisconsin, at 2 o'clock in the afternoon on Thursday, the 13th day of March, 1924, for the purpose of electing directors of the company and of transacting any and all other business that may be brought before the meeting.

All the Stockholders are requested to be present at such meeting in person or by proxy. Stockholders who do not expect to be present in person are requested to sign the enclosed proxy and return it to the company in the envelope enclosed for the purpose.

LEROY J. CLARK,

Secretary.

Dated March 1, 1924.

EASTERN WISCONSIN ELECTRIC COMPANY

BOARD OF DIRECTORS

BRITTON I. BUDD

MORRIS F. LACROIX

MARTIN J. INSULL

G. C. NEFF

LEROY J. CLARK

W. C. SHARP

MARSHALL E. SAMPSELL

OFFICERS

MARSHALL E. SAMPSELL, *President*

G. C. NEFF, *Vice-President*

DOUGLAS SHAW, *Treasurer and Assistant Secretary*

LEROY J. CLARK, *Secretary and Asst. Treasurer*

JOSEPH E. GRAY, *Auditor*

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1923

TO THE STOCKHOLDERS
OF THE
EASTERN WISCONSIN ELECTRIC COMPANY

The Directors submit this annual report for the fiscal year ending December 31, 1923.

EARNINGS AND EXPENSES

The earnings and expenses of the Company for the year were as follows:

Gross Income	\$1,959,140.46
Total Expenses	1,330,394.74
<hr/>	
Gross Net Income.....	\$ 628,745.72
Interest on Funded Debt	325,141.78
<hr/>	
	\$ 303,603.94
General Interest and Amortization of Bond Dis- count and of property.....	90,532.12
<hr/>	
	\$ 213,071.82
Dividends Paid and Accrued for the Year on 7% Preferred Stock	106,464.82
<hr/>	
	\$ 106,607.00
Dividends paid on Common Stock.....	69,000.00
<hr/>	
Balance carried to Surplus.....	\$ 37,607.00

SUBSTANTIAL IMPROVEMENT OVER 1922 SHOWN

The Gross earnings, including merchandise sales for the year 1923, amounted to \$1,959,140.46. This compared with \$1,675,812.06 for the year 1922 shows an increase of \$283,328.40. This increase reflects the growth of the business previously connected, new business resulting from extensions made by the Company and the addition of several rural communities to the lines of your company.

OPERATING CONDITIONS

Operating conditions in 1923 were somewhat improved over 1922,

10 p 32 Brown
8 Dec 30 div: 1923 cont.

although the cost of coal for the first six months of 1923 was very high. During the last six months the cost of coal was somewhat less, but operating labor continued high throughout the year.

PROPERTIES ACQUIRED

The Company purchased, in 1923, real estate at Plymouth to provide necessary space for an additional substation and for further expansion of your company's facilities.

EXTENSIONS AND IMPROVEMENTS

The Company during the year installed approximately 19 miles of high voltage transmission lines and about 20 miles of low voltage lines for local distribution purposes. Your company also laid 18,872 feet of gas mains in Fond du Lac to serve new residence additions to that city and increased demands on the present system.

The Company made improvements to its Sheboygan steam generating plant, consisting of an addition to the boiler room and the installation of a 500 horsepower boiler, a motor driven feed water pump, a motor driven hot well pump, and a steam driven exciter. In addition, other auxiliary apparatus was installed which will materially improve the operating conditions of this plant.

A substation was built at Plymouth, Wisconsin which connects the Fond du Lac—Sheboygan 66,000-volt line of the Company to the 132,000-volt transmission line of The Milwaukee Electric Railway & Light Company. This sub-station will be in service early in 1924.

The Old Securities National Bank building at Sheboygan was remodeled in order to provide your company with modern office and display rooms for electrical merchandise. These office and display rooms will be ready for use very shortly.

Five new one-man light weight double truck interurban cars were purchased and put into service between Fond du Lac and Neenah. A contract was made for the purchase of four cars of similar type for service in the City of Sheboygan. It is expected that these cars will be delivered by the middle of March, 1924.

Five modern de luxe coaches and three motor busses were purchased and are being used as feeders to the Company's present railway systems and to protect them from bus competition.

NEW BUSINESS

The Company has taken on a very substantial increase of power and lighting loads. The total connected load on the Company's system is now 30,768 horsepower.

The total number of customers served by the Company increased by 1,677 during this period. The kind of service rendered and the number of customers now so served is shown by the following table:

Electric	15,113
Gas	5,177
	<hr/>
Total	20,290

FINANCIAL OPERATIONS

In 1923 the Company issued and sold \$345,300 in par amount of its preferred stock, \$450,000 in par amount of its common stock, \$2,048,000 in principal amount of its First Lien and Refunding Mortgage 6% Gold Bonds, Series A and \$1,182,000 in principal amount of its First Lien and Refunding Mortgage 6½% Gold Bonds, Series B, all of the proceeds of which were used to retire \$1,200,000 in principal amount of the Company's Three-Year 7% Gold Notes due March 1, 1923, \$101,500 of Sheboygan Railway & Electric Company Refunding and Improvement Gold Coupon Bonds due 1926, \$133,500 of First Mortgage Bonds of Fond du Lac, Street Railway and Light Company, due 1924, \$1,182,000 Eastern Wisconsin Railway and Light Company First Mortgage 5% Bonds due October 1, 1923 and for the Company's corporate purposes.

WOMEN'S PUBLIC INFORMATION COMMITTEE

The Company has continued through the year the work of the Women's Public Information Committee, organized early in 1922. The educational program, covering generally all phases of public utility activities and especially those pertaining to your company, is being actively carried on by the women employees of the Company with particular zeal and success. The officers and operating heads of the Company are ever ready to assist in this work, as they are convinced of its increasing value, not alone to the women of the Company, but to the men as well.

PUBLIC RELATIONS DEPARTMENT

In order to more effectively carry along the promotion of satisfactory relations between the Company, its customers and the communities served, the Company has created a Public Relations Department. The director of this department is in constant touch with the officers, departmental heads, operating officials, and employees of the Company, in order that there may be co-ordinated effort throughout the Company toward teaching the employees who most frequently come in contact with the public the details of the Company's operations, and especially the desire of the Company to furnish reliable, uninterrupted service and always to render that service in a businesslike and courteous manner.

LIFE INSURANCE POLICIES AS CHRISTMAS PRESENTS

The Company has gladly continued its plan begun in 1922 of presenting a year's paid-up policy of life insurance as a Christmas gift to all employees of the Company who were on the payroll prior to June 30, 1923. These policies vary in amount from \$500 to \$1,500 based on the length of service of the employee, and automatically increase with the term of service of the employee until the maximum of \$1,500 has been reached for six or more years of service. The Company was also able to effect an arrangement, whereby each employee can secure, at a very advantageous rate, additional insurance equal to the amount given by the Company. Although this insurance is optional with the employees, over 80% of them have exercised the privilege offered.

THE NEW SERVICE ANNUITY PLAN

For the purpose of providing for the declining years of employees who have devoted a considerable portion of their working period to the service of the Company, the Board of Directors adopted a Service Annuity Plan, effective January 1, 1924. In general, provision is made for the retirement of men at the age of 65 and of women at the age of 60. Employees may, however, for special reasons, be continued in active service after reaching the ages mentioned. Special arrangements may be made for the retirement of men at the age of 60 and women at the age of 55. The amount of the annual payment ranges from one and one-half to two per cent of the average annual salary of the employee (for the period of continuous service) times the number of years of such service, but not exceeding 50 per cent of the final annual salary. The plan is administered by a board of five trustees, who shall be offi-

cers or employees of the Company. Three are to be appointed by the Board of Directors and two elected annually by the employees.

INCREASE IN NUMBER OF STOCKHOLDERS

The Company continued the sale through its employees of its preferred stock to customers, and to citizens residing in the territory in which the Company operates. The number of stockholders has increased as shown below:

December 31, 1922.....	765 stockholders
December 31, 1923.....	1,006 stockholders

In addition the Company has sold preferred stock to 285 subscribers on the deferred payment plan. The Company is extremely proud to announce that over 98 per cent of the regular employees are also stockholders.

Appended will be found a certificate of audit of the Company's books and accounts, with condensed Statement of Earnings and Expenses and the Balance Sheet for the year ending December 31, 1923, after an examination by Messrs. Arthur Young & Company, Certified Public Accountants.

In the appendix to this report are shown some views of portions of your company's property and of the property of some of its customers and a number of charts illustrative of certain phases of its growth and operations. Also a map showing the territory served by your company, and the interconnection of its high voltage transmission system with those of the Wisconsin Power, Light & Heat Co., and its affiliated companies.

By Order of the Board,

MARSHALL E. SAMPSELL,

President.

CABLE ADDRESS ARTHYOUNG"

NEW YORK
CHICAGO
PITTSBURGH
KANSAS CITY
MILWAUKEE
LOS ANGELES
DALLAS
LONDON ENG
PARIS FRANCE

ARTHUR YOUNG & COMPANY
MEMBERS AMERICAN INSTITUTE OF ACCOUNTANTS
105 SO. LA SALLE STREET
CHICAGO

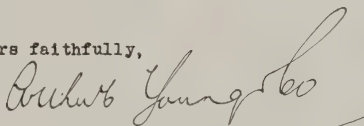
March 4, 1924.

To the President and Board of Directors of the
Eastern Wisconsin Electric Company.

Dear Sirs,

We have audited the books and accounts of the Eastern Wisconsin Electric Company for the year ending December 31, 1923 and certify that the attached Income Account and Balance Sheet are in accordance therewith and, in our opinion, are drawn up to correctly exhibit the result of operations for the year and the financial position of the Company at December 31, 1923.

Yours faithfully,



Certified Public Accountants.

EASTERN WISCONSIN ELECTRIC COMPANY

INCOME ACCOUNT FOR THE YEAR ENDING DECEMBER 31, 1923

Gross Earnings, including Merchandise Sales.....	\$1,939,113.74
Less: Operating Expenses, including Taxes.....	1,330,394.74
Net Earnings.....	\$ 608,719.00
Non-Operating Income.....	20,026.72
	\$ 628,745.72
<i>Deduct:</i>	
Interest on Bonds.....	\$325,141.78
Interest on Notes and Accounts, etc.....	41,592.35
Rent of Leased Lines.....	4,200.00
Amortization of Bond Discount and of Property.....	44,739.77
	415,673.90
Net Income for the year.....	\$ 213,071.82

SURPLUS

Surplus, January 1, 1923.....	\$ 73,128.59
<i>Add:</i>	
Net Income for year ending December 31, 1923.....	213,071.82
	\$ 286,200.41
<i>Deduct:</i>	
Dividends Paid and Accrued on Preferred Stock.....	\$106,464.82
Dividends Paid on Common Stock.....	69,000.00
	175,464.82
Surplus, December 31, 1923.....	\$ 110,735.59
JOSEPH E. GRAY, <i>Auditor.</i>	

EASTERN WISCONSIN ELECTRIC COMPANY

BALANCE SHEET—DECEMBER 31, 1923

ASSETS		LIABILITIES	
Real Estate, Plant and Equipment.....	\$ 8,822,354.10	Capital Stock:	
Organization Expense, Unamortized Discount and Expense on Securities, etc.....	473,073.50	Preferred 7% Cumulative—Issued.....	\$1,783,500.00
Securities Owned	106,100.00	Less: In Treasury	\$ 8,200.00
Sinking Fund and Special Deposits.....	15,037.96	Deposited as Collateral to	
Preferred Stock Subscriptions Receivable	51,726.75	Loans	78,200.00
Current Assets:			
Cash	\$ 95,300.42	Common—Issued	\$1,705,300.00
Notes and Accounts Receivable..	168,809.92		1,150,000.00
Materials and Supplies.....	121,867.42		\$ 2,855,300.00
Fuel and Residuals.....	12,696.16		44,700.00
Prepaid Accounts and Deferred Charges.....	398,673.92	Subscriptions to Preferred Stock—Unissued..	
Due from Affiliated Companies.....	139,728.30	Funded Debt:	
	3,885.00	Sheboygan Electric Company, Refunding	
		5s 1946	\$1,516,500.00
		First and Refunding 5%	
		Mortgage Bonds 1947.....	\$4,289,500.00
		Less: Deposited as Collateral	3,165,000.00
			1,124,500.00
		First Lien and Refunding	
		Mortgage Bonds—	
		Series "A," 6s 1942.....	\$2,048,000.00
		Series "B," 6½s 1948	1,182,000.00
			3,230,000.00
		Car Trust Certificates.....	5,871,000.00
		Due to North West Utilities Company.....	20,358.75
		Current and Accrued Liabilities:	95,015.74
		Notes Payable—	
		Banks	\$262,000.00
		Vendors	316,177.67
			\$ 578,177.67
		Accounts Payable	194,185.63
		Customers' Deposits and Advanced Billing..	24,124.81
		Accrued Interest and Taxes.....	174,894.29
		Accrued Dividends—Preferred Stock	13,263.44
		Reserve for Injuries and Damages.....	984,645.84
		Surplus	28,823.61
			110,735.59
			\$10,010,579.53

JOSEPH E. GRAY, Auditor.

APPENDIX

The directors and officers of the Eastern Wisconsin Electric Company believe the stockholders of the Company will be intensely interested in the views and charts presented herewith, and in the brief description of some of your company's properties.

In order to efficiently handle the increasing loads of your company's growing electric business, work was started on an addition to the Sheboygan steam generating station during last April. This work was completed in December, 1923. A larger and more modern boiler was installed and equipped with super-heaters with the result that the efficiency of this station was materially improved. In addition to furnishing the major portion of electrical energy for your company, the Sheboygan generating station now supplies large amounts of electrical energy to the Wisconsin Power, Light & Heat Co. This energy is delivered over your company's 66,000-volt transmission line extending from its Sheboygan plant to Fond du Lac and thence over the Wisconsin Power, Light & Heat Co.'s 66,000-volt transmission line, extending from Fond du Lac through Beaver Dam and Columbus to Dane, at which point it connects with the heavy steel tower double circuit transmission lines of the Wisconsin River Power Company which extend from Dane to that company's large hydro-electric plant on the Wisconsin River, near Prairie du Sac.

Your company has drawn large quantities of hydro-electric energy at times during the past year, from the Prairie du Sac plant of the Wisconsin River Power Company and at other times has delivered steam generated energy from its Sheboygan plant into its Sheboygan-Fond du Lac transmission line and thence to the Fond du Lac-Dane transmission line for use by the Wisconsin Power, Light & Heat Co. This interchange of hydro-electric and steam generated energy has resulted in a marked advantage to the operations of both the Wisconsin Power, Light & Heat Co. and the Eastern Wisconsin Electric Company, giving additional assurance of continuity of service to both companies, as well as further economies of energy production and distribution.

A contract was entered into between The Milwaukee Electric Railway & Light Company and your company for the interconnection of the transmission systems of these two companies at a point near Plymouth. This connection will provide an additional source of power to your

company which will increase the efficiency of its transmission system and will result in improved service to your company's customers.

The load on the Fond du Lac gas plant increased steadily and it was therefore necessary to install a five-foot generator on the water gas set. This increases the capacity of this set from 150,000 to 300,000 cubic feet per day, making the total daily capacity of this plant at Fond du Lac 750,000 cubic feet. This, however, is not sufficient to long properly provide for the gas service in Fond du Lac and your company has therefore ordered a third bench for this plant which will further increase the capacity 200,000 cubic feet per day. This additional gas bench will be in service about the middle of 1924.

The Company's interurban railway business has been increased somewhat by the operation of busses between Plymouth and Sheboygan. This bus line acts as a feeder to the railway system. Except for a short period in the winter, when the public highways are blocked with snow, complete transportation service is now being given between Neenah and Sheboygan by way of Oshkosh, Fond du Lac, Plymouth, Sheboygan Falls and Kohler.

The new one-man interurban cars for the Fond du Lac-Oshkosh-Neenah Division were put into operation in June. These cars are very attractive and of the most modern design. The public has shown its approval and appreciation of this modern service by affording the Company increased patronage.

New de luxe coach service has been installed between Fond du Lac and Neenah and from Oshkosh to the State Hospital in order to furnish more complete service and to satisfy the public demand for automobile transportation. In the absence of such coach service by your company, other interests would have furnished coach service in competition with the Company's interurban service. This would have resulted in loss of gross income heretofore enjoyed by your company.

Four new one-man safety cars have been purchased for service in the City of Sheboygan. These cars will be delivered within a few weeks, at which time the city service now being supplied will be much improved, which will encourage more people to ride and increase the gross income of your company.

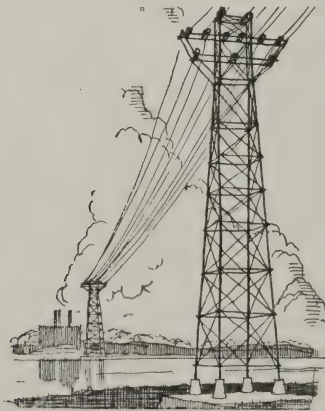
The farm lands of eastern Wisconsin are highly developed, and therefore the farming industry is in a prosperous condition. Indeed, the agricultural interests throughout the United States are constantly

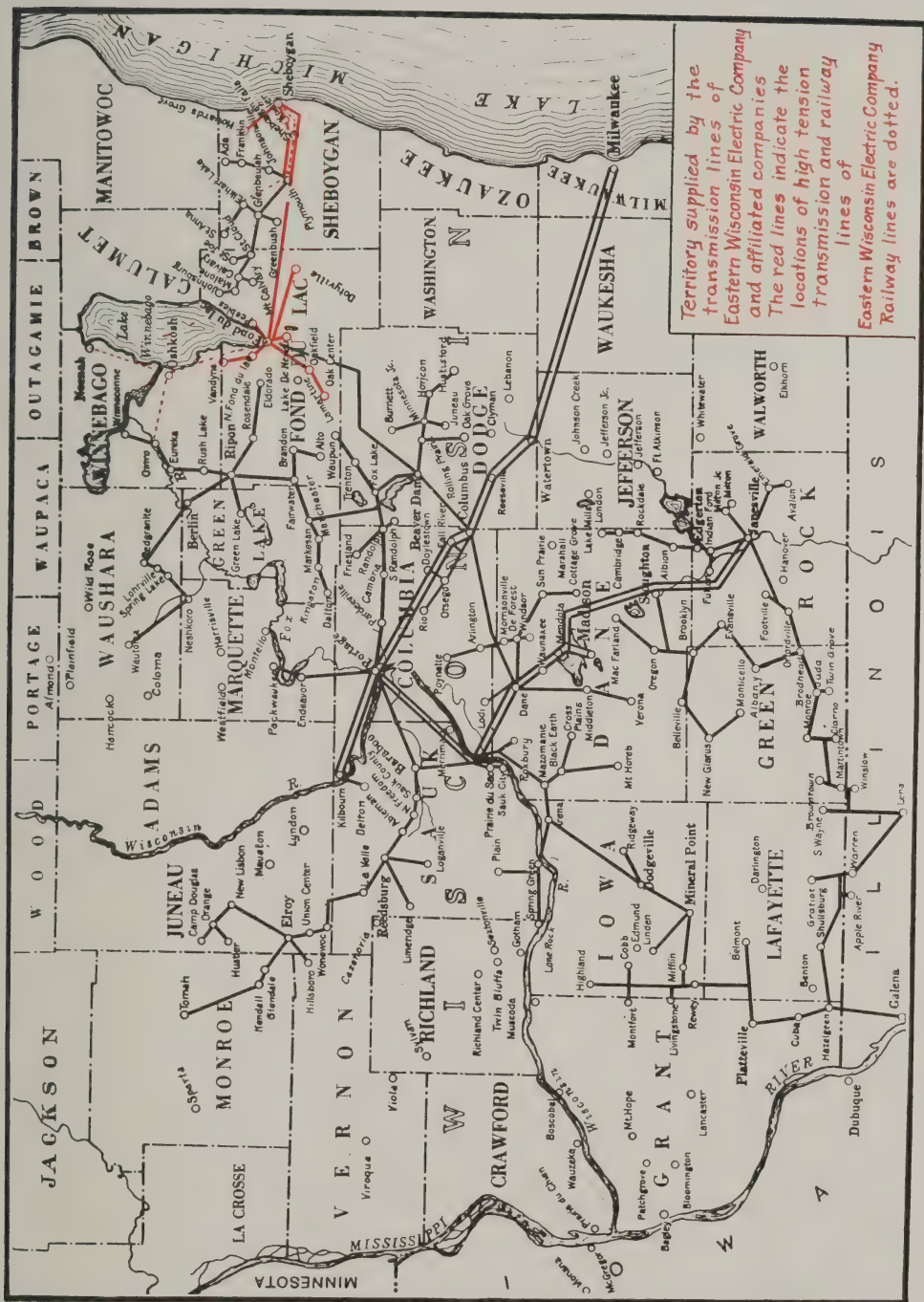
requiring larger amounts of electrical energy for both lighting and power purposes. In order that these increasing requirements may be most intelligently furnished, representatives of agricultural associations, the electrical industry, and federal and state agencies have formed a committee which is devoting itself to the task of working out ways and means of furnishing the farmer electrical service to his best advantage.

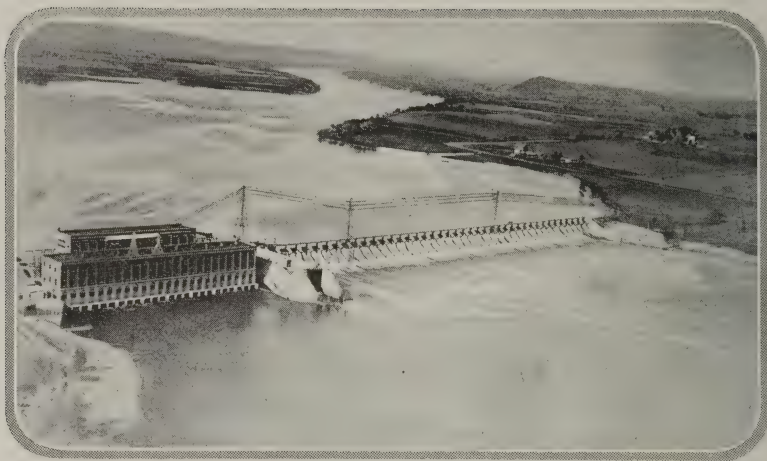
From the statistics set out on the following pages, it is evident your company is growing rapidly. The various classes of public utility service which your company is rendering the communities and territory in which it operates are undoubtedly of increasing value. The Company has faith in the stability of the people living in the territory it serves, and because of this faith has constantly added to its facilities for rendering reliable and improved service.

Your company thoroughly appreciates that its growth and prosperity go hand in hand with that of the communities it serves. It values indeed the assistance given it by its customers who are fast becoming partners in the business through ownership of the Company's preferred stock. It points with pride to the fact that during the year 1923 the employees sold for cash and on the deferred payment basis, 1,890 shares of the Company's preferred stock, and that 98% of these employees are also stockholders. It is keenly alive to the ever increasing co-operative efforts of these loyal employees who constantly strive to render reliable service and extend courteous treatment to the Company's customers.

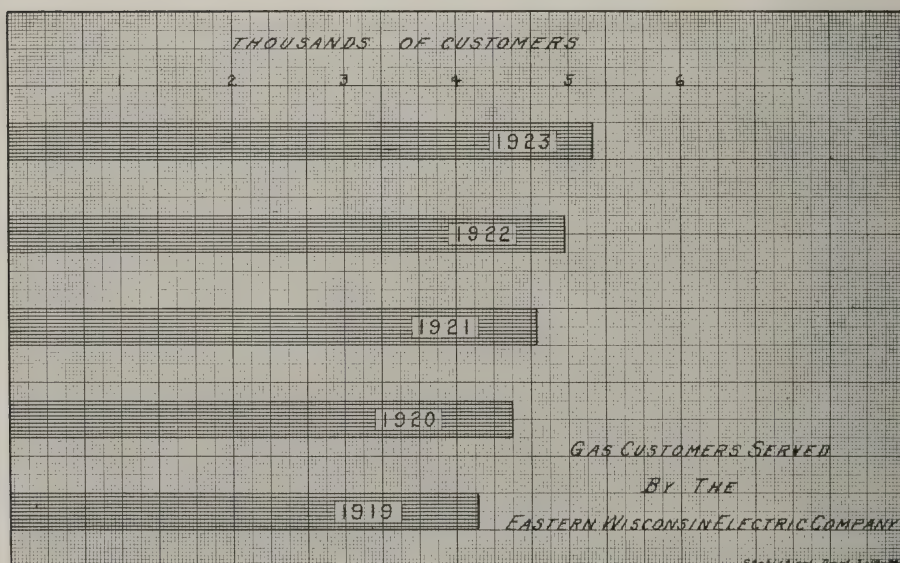
EASTERN WISCONSIN ELECTRIC COMPANY.



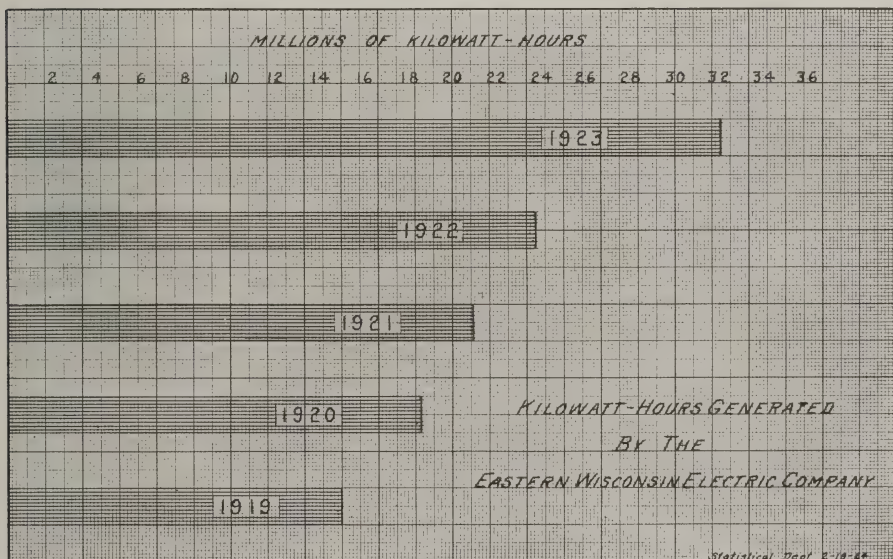
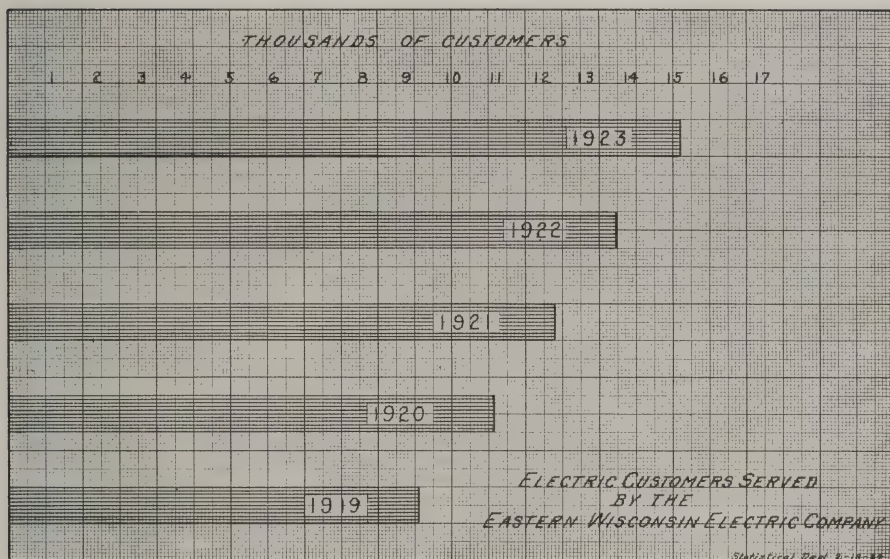




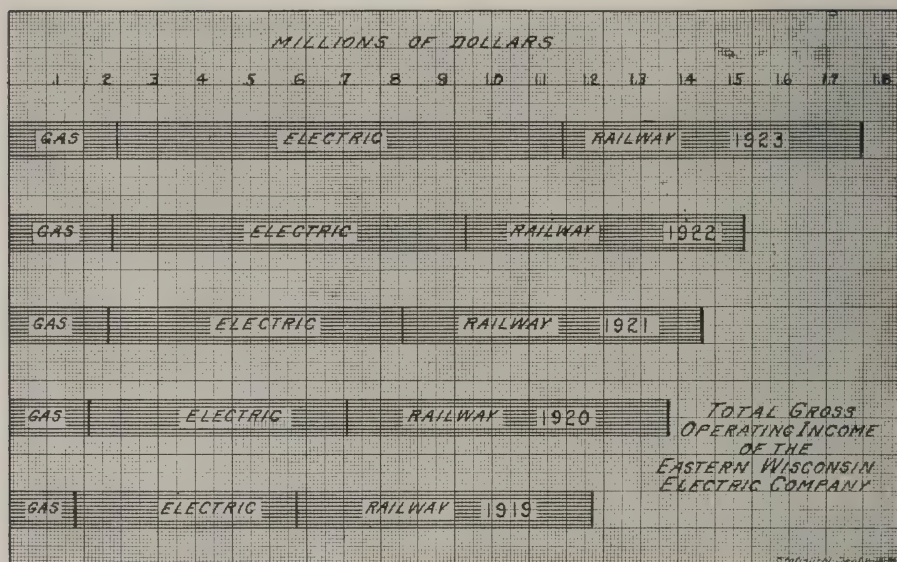
Aeroplane view of the hydro-electric plant of the Wisconsin River Power Company located on the Wisconsin River north of Prairie du Sac, Wisconsin. The Eastern Wisconsin Electric Company purchases large amounts of electrical energy from this plant.



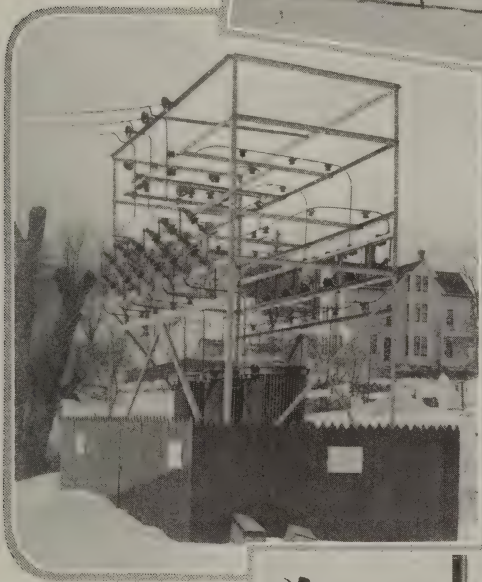
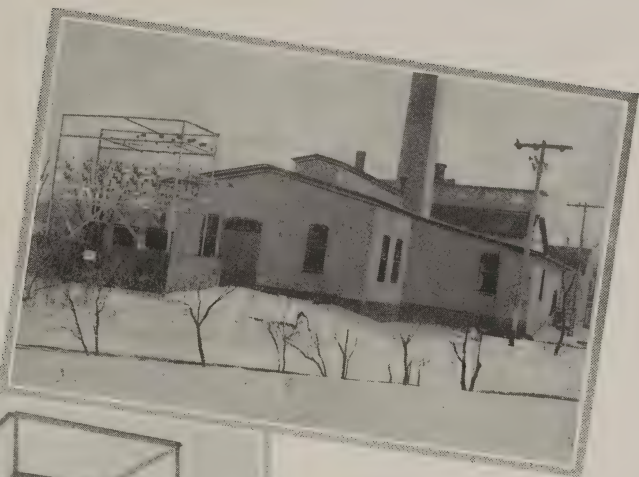
STATISTICS SHOWING GROWTH



STATISTICS SHOWING GROWTH



Entrance to Soo Line Shops, North Fond du Lac, Wisconsin. One of the Company's large gas customers.



Views of the Company's
sub station for service, to the
City of Plymouth, Wisconsin.



Fond du Lac Substation. This station connects the 66,000-volt Dane-Fond du Lac transmission line with the 66,000-volt Fond du Lac-Sheboygan transmission line and makes possible the interchange of energy between the hydro-electric plants of the Wisconsin River Power Company and the steam plant of the Eastern Wisconsin Electric Company located at Sheboygan.



Front view of Northern Casket Company, Fond du Lac—one of the Company's large power customers.

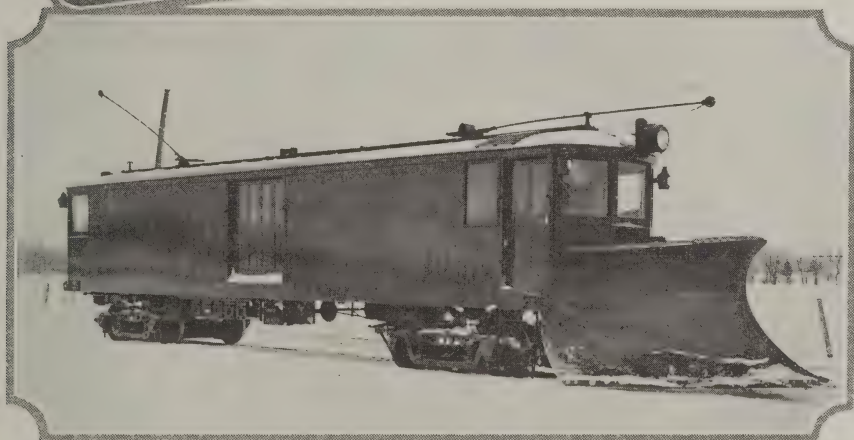
New one-man inter-urban cars now being operated by the Company on the inter-urban lines between Fond du Lac-Oshkosh-Neenah.



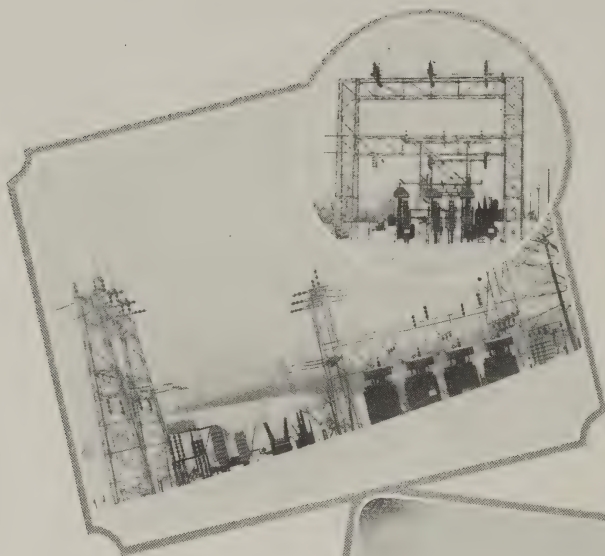
Latex Tire & Rubber Company, Fond du Lac, Wisconsin. One of the Company's large power customers.



Snow conditions which
show the need of the
snow plow.



Snow plow—Sheboygan, Wisconsin.



Two pictures of the 132,000 - volt substation at Mullet River near Plymouth, Wisconsin. At this point the transmission system of the Company is connected with the transmission system of The Milwaukee Electric Railway & Light Company.

Oshkosh—Main Street. Showing some of the cars operated by the Company. Also the new American Bank Building.



Interior view of the new car barn of the Company located at Oshkosh, Wisconsin.

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COMPANY'S DE-LUXE COACHES.



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